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May 20, 2004

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-4275

RE: Lower Nonion Struma Sand, Reservoir A SUA
& Reservoir B SUA
Ellis Field
Acadia Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of Masters Oil & Gas, Inc. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matter relating to the Lower Nonion Struma Sand Reservoir A & B, Ellis Field, Acadia Parish, Louisiana, to-wit:

1. To dissolve the existing Nonion Struma Zone RD SUA adopted by Office of Conservation Order No. 275-C-6, and simultaneously therewith create two new drilling and production units, such units being designated LNS RA SUA and LNS RB SUA.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units with each separate tract sharing in unit production on a surface acreage basis of participation;
3. To designate Cabot Oil & Gas Corporation as unit operator of the units created herein;
4. To designate the Cabot Oil & Gas Corporation - Lawson No. 1 Well as the unit well for the proposed LNS RA SUA and Cabot Oil & Gas Corporation as the unit well for the proposed LNS RB SUA.
5. Except for the changes herein, all of the pertinent provisions of Order 275-C-6 effective July 1, 2004 remain in effect.
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Nonion Struma Sand, for Reservoirs A & B, in the Ellis Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 12,402 feet and 12,554 feet measured depth (12,385 feet and 12,537 feet VD) (Electrical Log Measurements) in the Cabot Oil & Gas

Corporation - Lawson No. 1 located in Section 10, Township 9 South, Range 1 East, Acadia Parish, Louisiana.

A conference to discuss the proposed application was held 10:30 a.m., on Thursday, May 17, 2004, at the Petroleum Club of Lafayette, 111 Heymann Blvd. Lafayette, Louisiana (337) 232-2582. E. Holmes Smart presented the applicants plan followed by various questions. Additionally, plans were presented by Mr. Bryan Groves on behalf of the drillsite owner Mr. Lawson, Mr. Bill McAlister on behalf of the Zaunbrecher Family Interests, Mr. Jim Hardwick on behalf of Messrs. Atria and Shingleton, and Mr. Bill Robbins on behalf of the operator, Cabot Corporation. All plans recognized the separate reservoirs, but varied considerably in configuration and size of the respective proposed units. No resolution of the differences has been made at this time, but the applicant will continue to seek one.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, BY CONTACTING Frank W. Harrison, Jr. 200 Audubon Blvd., Lafayette, Louisiana 70503, (337) 232-4031.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is also our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


E. Holmes Smart

EHS/hjs
Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

cc: All Interested Owners, Interested Parties and
Represented Parties

R 1 W

Midwest Oil Corp.
L. B. & B. J. Lawson

2-A

R 1 E

11775'

7

12

NS RD SUA
Order No. 275-C-6

Midwest O. Co.
Zaunbrecher

**PROPOSED UNIT
LNS RA SU A
±235 Acres**

Midwest Oil Corp.
L. B. & B. J. Lawson

Newhall
Lawson

11770'

10850'

3131'

1
Minden
Lawson
11651'

William Lawson, et al

Cabot Corp.
Lawson

Edward F. Leblanc

Edward F. Leblanc

Sklar-Phillips
Zaunbrecher

Rio Bravo
Zaunbrecher

12874' MD
12742VD

Guest
Zaunbrecher

SL

14100

18

11605'

Cabot Corp.
L. A. Habetz

12270'

Charles J. Habetz, et al

Cabot Corp.
Provost

13500' MD
13300' VD

Leonard
Habetz, et al

Edward F. Leblanc
J. Thompson

J. Thompson

James R. Davis, et al

Sun Oil
Hetzel

12500'

Sun Oil Co.
Hetzel

16000'

**PROPOSED UNIT
LNS RB SU A
±158 Acres**

Davis
Habetz

J. P. Owen, et al
H. Hetzel

13048'

Docket No:

Exhibit No:

MASTERS OIL & GAS, INC.

LAFAYETTE, LOUISIANA

ELLIS FIELD

ACADIA PARISH, LOUISIANA

Proposed Units
Lower Nonion struma Sand

0 1000' 2000'

DATE:

FRANK W. HARRISON, JR.

CONSULTING GEOLOGISTS - LAFAYETTE, LOUISIANA

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